

Message Text

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PAGE 01 STATE 053239
ORIGIN EA-09

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DRAFTED BY EA/IMS:ARDORNHEIM:CCH
APPROVED BY EA/IMS:EDWARD C. INGRAHAM
-----101839Z 109069 /50
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FM SECSTATE WASHDC
TO AMEMBASSY JAKARTA

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E.O. 11652: N/A

TAGS: BDIS, ENRG, ID

SUBJECT: ETHYL CORP - PERTAMINA CONTRACT DISPUTE

REF: JAKARTA 2815

1. SUBSTANCE OF REFTEL PASSED ETHYL CORP OFFICER, WHO CONCERNED BY PERTAMINA'S APPARENT MISINFORMATION, SINCE DARSONO PARTICIPATED IN SIGNING OF TWO CONTRACTS. ACCORDING ETHYL OFFICER, LOH HAS NEVER BEEN ETHYL AGENT, NOR WAS HE EVER APPROACHED TO INTERCEDE WITH IBNU ON ETHYL'S BEHALF. WHEN ETHYL FIRST APPROACHED PERTAMINA TO SELL ANTI-KNOCK COMPOUNDS, IT WAS TOLD TO DEAL ONLY WITH LOH'S FIRMS (EDNASA, YICK MOU, YICK HO), WHICH WERE REPRESENTED TO ETHYL AS SOLE BUYERS FOR PERTAMINA OF THIS TYPE PRODUCT. UNDERSTANDING WAS THAT EDNASA, ET AL, RESOLD TO PERTAMINA. ETHYL TOOK INIATIVE TO PROPOSE CONSTRUCTION OF BULK TERMINAL TO PERTAMINA AND DID SO DIRECTLY, WITHOUT USING LOH OR ANYONE ELSE AS INTERMEDIARY. SO, DARSONO'S CHARGE THAT "LOH'S PARTICIPATION HAD CAUSED INFLATED PROJECT COSTS" IS MYSTIFYING.
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2. LIKEWISE, DARSONO'S ASSERTION THAT "ETHYL HAD BEEN ALLOWED BID ON TWO OCCASIONS FOR SUPPLY OF ANTI-KNOCK COMPOUND" STILL DOES NOT, ACCORDING ETHYL OFFICER, REFUTE FACT THAT ETHYL HAS NOT BEEN INVITED BID ON 1977 SUPPLY CONTRACT.

3. ETHYL OFFICIALS EXPRESS CONCERN ABOUT THEIR GLOBAL REPUTATION AS A REPUTABLE COMPANY AND WISH TO DISPEL AS SOON AS POSSIBLE THE ASPERSIONS WHICH, IN THEIR VIEW, INDONESIANS SEEM TO BE ALLOWING TO GROW. ETHYL OFFICIALS ARE GATHERING DOCUMENTARY EVIDENCE OF ALL THEIR RELATIONSHIPS WITH LOH'S COMPANIES SINCE MID-1972 AND HAVE ASKED FOR EMBASSY'S INTERVENTION TO ASSURE A CALL UPON MINISTER SUMARLIN.

4. ETHYL'S PLANS HAVE CHANGED SOMEWHAT. THREE PERSONS MENTIONED STATE 49500 WILL BE JOINED BY FOURTH, E.W. ELMORE. THEY WILL NOW ARRIVE IN JAKARTA MARCH 19-20 WEEKEND AND HOPE CALL ON SUMARLIN CAN BE SET UP MARCH 21 OR IN NEXT DAY OR TWO.

5. EMBASSY REQUESTED ASSIST ETHYL LAWYER IN SETTING UP SUMARLIN APPOINTMENT. FAIR PLAY WOULD SEEM TO REQUIRE THAT ETHYL BE GIVEN CHANCE TO "CLEAR ITS NAME" AND TO BID ON 1977 SUPPLY CONTRACT. STATUS REPORT WOULD BE APPRECIATED BY MARCH 16.

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Message Attributes

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Disposition Approved on Date:
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